

Behind the Surge in Gold and Silver ETFs

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Here we go again. Gold and silver exchange traded funds (ETFs) are at all-time highs, but are the fundamentals driving them as clear-cut as you might think?

For gold, the answer is pretty much “yes.”

- Sterling Smith, market analyst at Country Hedging remarked that “continued nervousness about behavior in the Middle East is keeping a solid bid under gold right now,” reports [Scott Carter for *The International Business Times*](#). Bob Haberkorn, senior market strategist with Lind-Waldock in Chicago, points out that gold is still “the flight-to-quality, the safety net trade.” [[Gold ETFs Show Their Safe-Haven Mettle.](#)]

- Thomas Winmill, portfolio manager of the Midas Fund, also commented that the fear of rising inflation has been fueling the rise in prices of gold, as well, writes [Charles Riley for CNN Money](#).

The unrest has sent **ETFS Physical Swiss Gold (NYSEArca: [SGOL](#))**, **SPDR Gold Shares (NYSEArca: [GLD](#))** and **iShares COMEX Gold (NYSEArca: [IAU](#))** to all-time highs.

It may not wind down anytime soon, at least in the view of some. George Albino at Canadian institutional brokerage GMP Securities stated, “while we do not have a crystal ball, we do believe that any spread in the current unrest in North Africa/Mideast could have a very significant impact on short-term and...long-term gold prices,” reports [Adrian Ash for *The International Business Times*](#).

The rush to safe-havens hasn’t been good just for gold; it may even be better for [silver](#). That’s because not only is [silver a safe-haven](#), it’s an industrial metal, as well. Because of its two-fold benefits, it’s often seen as a leveraged play on gold: when gold prices are rising, silver is usually rising faster. On the flip side, when gold prices decline, silver usually falls faster.

iShares Silver Trust (NYSEArca: [SLV](#)) and **ETFS Physical Silver (NYSEArca: [SIVR](#))** are

demonstrating that these days: in the last 10 days, they're up about 13%, while physical gold ETFs are up about 5%.

For more information on gold, visit our [gold category](#).